

STATE OF IOWA  
DEPARTMENT OF COMMERCE  
UTILITIES BOARD

IN RE:  VERIZON SELECT SERVICES INC. AND BELL ATLANTIC COMMUNICATIONS INC. d/b/a VERIZON LONG DISTANCE	DOCKET NO. WRU-00-87-3057
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**ORDER GRANTING WAIVER**

(Issued January 30, 2001)

On December 26, 2000, Verizon Select Services Inc. (VSSI) and Bell Atlantic Communications Inc. d/b/a Verizon Long Distance (VLD) filed with the Utilities Board (Board) a request for a waiver of 199 IAC 22.23(2). The subrule requires individual customer verification to change the customer's local or long distance provider. VSSI and VLD are wholly-owned subsidiaries of Verizon Communications Inc., which was created as a result of the merger of GTE Corporation and Bell Atlantic Corporation.

VSSI currently has customers in Iowa and as part of a corporate restructuring those customers will be transferred to VLD. VSSI intends to provide service to business customers and VLD will provide service to consumer and small business customers. VSSI and VLD stated that the transfer will not affect the rates or service provided to customers and the transfer will be transparent except for the change in the Verizon company providing the service.

VSSI and VLD state that customers will receive two letters notifying the customers of the pending change and informing the customers that they may select a different long distance carrier. There will be a letter sent to customers after the transfer welcoming them to VLD.

Rule 199 IAC 22.23(2) requires that all of the customers of VSSI give prior written or recorded verification before they can be lawfully transferred. VSSI and VLD are requesting a waiver of that requirement. VSSI has thousands of customers and VSSI and VLD stated that it would be an undue hardship for VLD to obtain customer verification from those customers. The Federal Communications Commission (FCC) has already approved the transfer.

The Board finds that the waiver request should be granted as it complies with the provisions of 199 IAC 1.3. The waiver is similar to the waiver granted in Docket No. SPU-99-29, when GTE Midwest Incorporated was purchased by Iowa Telecommunications Services, Inc., d/b/a Iowa Telecom. In that docket, the Board found that it would be an undue hardship for a company in these circumstances to obtain the individual waivers. This is in light of the minimal impact that the transfer will have on customers and the cost to the companies to notify all the customers.

The Board finds that the waiver will not affect the substantial legal rights of customers. The verification rules are intended to prevent the unauthorized change of long distance service where the acquiring company has no business relationship to the current provider and the change is to acquire customers fraudulently. In this

instance, the transfer is part of a corporate restructuring and the customers are being transferred from one wholly-owned subsidiary to another.

The Board finds that the verification requirement is not specifically mandated by statute or other provision of law under the circumstances presented. The 1999 Iowa Code Supplement § 476.103 gives the Board authority to promulgate rules "to protect consumers from unauthorized changes in telecommunications service." Subrule 199 IAC 22.23(2) implements the statutory prohibition against unauthorized transfers. In this instance, VSSI and VDL are requesting authority from the Board for the transfer and the transfer has been approved by the FCC.

The Board finds substantial equal protection of public health, safety, and welfare will be afforded by means other than the waived rule. The transfer is being done with notice to customers and customers have the choice of staying with the new company or selecting another long distance carrier. For the above reasons, the Board will waive the provisions of 199 IAC 22.23(2) as requested by VSSI and VDL.

**IT IS THEREFORE ORDERED:**

The request for waiver of 199 IAC 22.23(2) filed by Verizon Select Services Inc. and Bell Atlantic Communications Inc. d/b/a Verizon Long Distance on December 26, 2000, to allow the transfer of customers from Verizon Select Services

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Inc. to Bell Atlantic Communications Inc. d/b/a Verizon Long Distance, without written or recorded verification, is granted.

**UTILITIES BOARD**

/s/ Allan T. Thoms

/s/ Susan J. Frye

ATTEST:

/s/ Judi K. Cooper

Acting Executive Secretary

/s/ Diane Munns

Dated at Des Moines, Iowa, this 30<sup>th</sup> day of January, 2001.